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U.S. Small Business Administration SBA

DOORS

U. S. Small Business Administration

Fernando J. Guerra

Contracting Officer & Business Development Specialist

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Size

- SBA's size standards define whether a business entity is small and eligible for Government programs. (reference Title 13 CFR 121.101)
- Size standards have been establish for types of economic activity or industry, generally under the North American Industry Classification System (NAICS).
- SBA considers economic characteristic comprising the structure of an industry, including degree of competition, average size…

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Affiliation

- General Principles – Concerns and entities are affiliated of each other when one controls or has the power the other or a third party or parties has the power to control both.

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Affiliation

- Stock ownership
- Stock options
- Identity of interest
- Newly organized concern
- Joint Ventures
- Franchise Agreement

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TEAMING AGREEMENTS

- Contractor team arrangement means an arrangement in which two or more companies form a partnership or joint venture to act as a potential prime contractor or

- A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under specified contract or acquisition

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Ostensible Sub Contractor Rule

- A sub contractor that performs primary and vital requirements of a contract or where the prime contractor is unusually reliant on the subcontractor.
- This relationship will be treated as a joint venture and therefore will be affiliated for size determination purposes.

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JOINT VENTURES

- Size: A JV of two or more businesses concerns may submit an offer/bid as a small business for a procurement so long as each concern is small under the size standard corresponding to the NAICS code assigned to the contract.

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JOINT VENTURE

- PROVIDED:
- The procurement qualifies as a “bundled” requirement within the meaning of 125.2(d)(1)(i)
- The Procurement is other than a “bundled” requirement and:
- The procurement with a revenue base size standard assigned exceeds half the size standard to the corresponding NAICS code
- For procurement with an employee base size standard, the procurement exceeds $10 million

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JOINT VENTURE

- Notwithstanding these provisions, a JV between a protégé and a approved mentor will be deemed small under the SBA Mentor Protégé Program.

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LIMITATIONS OF SUBCONTRACTING

- IAW 13 CFR 125.6 in order to be awarded a full or partial small business or an 8(a) contract or an unrestricted procurement where a concern claimed 10% SDB price evaluation preference, a small business concern must agree that:

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LIMITATIONS ON SUBCONTRACTING

- In the case of a contract for general construction, the concern will perform at least 15% of the cost of the contract with its own employees (not including the cost of materials)

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LIMITATIONS ON SUBCONTRACTING

- In the case of a contract for construction by a special trade contractors, the concern will perform at least 25% of the cost of the contract with its own employees (not including the cost of materials)

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U. S. Small Business Administration
17319 San Pedro, Bldg 2
San Antonio, TX 78232

Fernando J. Guerra

Contracting Officer & Business Development Specialist

Phone: 210-403-5926

Email: fernando.guerra@sba.gov

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